

**INTERSTATE PEST CONTROL COMPACT
INSURANCE FUND**

FINANCIAL REPORT

For the Year Ended June 30, 2003

Interstate Pest Control Compact Discussion Points for Treasurer's Report

Highlights from Fiscal Year 2003:

- Total assets available at June 30, 2003 were \$1,079,512. An increase of \$74,114 over the June 30, 2002, balance of \$1,005,398. This increase was the result in the return of \$66,000 from New York for a prior claim.
- Income on investments totaled \$15,059. There were no investment fees or expenses. The Average Yield for the year was 1.50%. Investment income covers all administrative and operating costs (\$13,492) for the year.

Quote from the Local Government Investment Pool (LGIP – where IPCC funds are invested) newsletter, “Short-term interest rates are now at levels that most of us have never witnessed and did not think possible. As long as the Fed’s bias continues to be focused on concerns of a disinflationary environment, interest rates will persist at historic low levels.”

- Investment Risk: The Virginia Local Government Investment Pool, in which IPCC funds are invested, follows guidelines that permit only high quality corporate investments. The IPCC investment is diversified in the following way:

U.S. Treasury / Agency	16%
Repurchase Agreements	16%
Negotiable CDs & BAs	24%
Non-Negotiable CDs	0%
Commercial Paper*	32%
Corporate & Bank Notes*	12%
Total:	100%

*

Commercial

Paper is restricted to a maximum of 35% and Corporate & Bank Notes to a maximum of 25% of the entire investment pool by law. This minimizes the risk to the IPCC while attempting to maximize gains.

- Membership dues totaling \$6,346 were received from the states of Arkansas, Colorado, and Rhode Island. Down \$18,100 from the last year.
- Operating expenses increased over last year as the result of new initiatives by the Executive Director (Web Page, Long Range Planning, etc.).

**INTERSTATE PEST CONTROL COMPACT
BALANCE SHEET
June 30, 2003**

Assets

Operating Account	\$68,931.64	
Investments	<u>1,010,580.07</u>	¹
TOTAL ASSETS		\$1,079,511.71

Liabilities & Equity

Liabilities	\$0.00	
Equity	<u>1,079,511.71</u>	
TOTAL LIABILITIES & EQUITY		\$1,079,511.71

**1 Funds are invested in the Local Government Investment Pool (LGIP)
through the Commonwealth of Virginia's Treasurer's Office.
The average yield for the fiscal year ended June 30, 2003 was 1.50%.**

**INTERSTATE PEST CONTROL COMPACT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2003**

<i>Balance on July 1, 2002</i>			\$ 1,005,397.91
<u>Add - Inflows</u>			
Investment Income:			
LGIP	<u>15,059.38</u>	15,059.38	
Dues Income:			
Arkansas	3,954.00		
Colorado	2,048.00		
Rhode Island	<u>344.00</u>	6,346.00	
Operating Account Interest		<u>200.35</u>	21,605.73
<u>Deduct-Outflows</u>			
Operating Expenses:			
Executive Director	10,890.65		
Travel	514.66		
NASDA Management Fee	0.00		
Bank Service Charges	187.72		
Conference Registrations	150.00		
Printing	272.60		
Misc. Administration	<u>1,476.30</u>	13,491.93	
Insurance Claims			
New York - Repayment of Previous Claim		<u>-66,000.00</u>	-52,508.07
<i>Balance on June 30, 2003</i>			<u><u>\$ 1,079,511.71</u></u>

**INTERSTATE PEST CONTROL COMPACT
STATEMENT OF REVENUES, EXPENDITURES, & CHANGES IN
FUND BALANCES/EQUITY**

For the Year-Ended Ended June 30, 2003

Revenues

Investment Income	\$15,059.38	
Dues Income	6,346.00	
Operating Account Interest	200.35	
Total revenues		\$21,605.73

Expenditures

Operating Expenses	\$13,491.93	
Insurance Claims	(66,000.00)	
Total expenses		(52,508.07)

Excess of revenue over expenditures **\$74,113.80**

Fund balances/equity July 1, 2002 **1,005,397.91**

Fund balances/equity June 30, 2003 **\$1,079,511.71**

INTERSTATE PEST CONTROL COMPACT
OPERATING BUDGET
July 1, 2002 to June 30, 2003

<u>Description</u>	<u>Budget</u> <u>2002-2003</u>	<u>Actual</u> <u>2002-2003</u>	<u>Budget</u> <u>2001-2002</u>	<u>Actual</u> <u>2001-2002</u>
Administration	\$2,000.00	\$1,329.96	\$2,000.00	\$2,000.00
Balaam Services	10,000.00	10,890.65	10,000.00	6,335.00
Travel & Misc.	3,500.00	664.66	3,500.00	2,692.26
Printing	500.00	272.60	500.00	234.77
Bond for Treasurer	100.00	0.00	100.00	0.00
Audit	150.00	0.00	150.00	0.00
Postage & Miscellaneous- Secretary's Office	150.00	146.34	150.00	25.11
Bank Charges	0.00	187.72	0.00	203.88
Technical Committee	0.00	0.00	0.00	0.00
Special Committee	<u>500.00</u>	<u>0.00</u>	<u>500.00</u>	<u>0.00</u>
TOTALS	\$16,900.00	\$13,491.93	\$16,900.00	\$11,491.02

Note: This report reflects the historical budget categories used by the prior Executive Director. The current Administrative Cost structure and compensation plan for the Executive Director have been modified and will require a change in the budget categories for FY 2004.